



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

JAY B. RISING
STATE TREASURER

TO: Participating Schools and Lenders

FROM: Diane Todd Sprague, Director 

DATE: January 20, 2005

SUBJECT: Educational Loan Notes

FEATURED FINANCIAL AID PROFESSIONAL



Diane Chambers

Diane Chambers' work history did not lead directly to financial aid. She experienced many different work environments before her final destination. Diane worked as a clerk in a Hallmark store; bill of lading clerk in a lumber shipping firm; food processor sorting fruits and vegetables in a canning factory; bookkeeper for a demolition company; manager of a bar in a college town; and a jail matron and cook for a sheriff's department. Her jobs took her from Michigan to West Virginia to California and back to Michigan again.

Then in 1980, she came to financial aid. Diane was an executive secretary at Northwood University when she decided she wanted to finish her education. Northwood allowed her to work part-time and covered her tuition expenses. She is still thankful for the college's support of her education and the faith they had in her. The week after she graduated, they offered her the position of Director of Financial Aid. She had no experience in financial aid, but did have enthusiasm and a desire to learn. With a three-hour tutorial from the departing director, she started to read all the information left behind. The federal register and the National Association of Student Financial Aid Administrators (NASFAA) newsletter became her best friends. Diane was lucky to have a great secretary who could tell her where to find things and explain what processes were in place.

Diane's next move took her to Oakland Community College where she eventually worked at all four of their campuses. Her last stop was at

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Schoolcraft College where she is Director of Financial Aid. She knows it is her last stop because she will be retiring at the end of February.

Having worked at a number of schools, all with different student service organizations, Diane feels the perfect campus configuration is a true one-stop shop where students go to one central location to have their questions answered. The employees would be cross-trained in all student service specialties, creating an atmosphere of increased knowledge and empowerment for the employees. One of her pet peeves is “bouncing” students from department to department, so the idea of one place for answers and action is ideal to her.

Diane implemented e-signature for student loans for 2004-05 and is in the process of developing an online Loan Request Form to be tested in the spring 2005 semester. The financial aid office is currently using WhizKid® in combination with OpenNetsm. The electronic process has worked well, and students have accepted the changes. After the financial aid office certifies the loan request, students go online to Sallie Mae’s Web site to complete their loan application and e-sign their Master Promissory Note. Schoolcraft’s loan volume continues to increase, although they do not package student loans or advertise them.

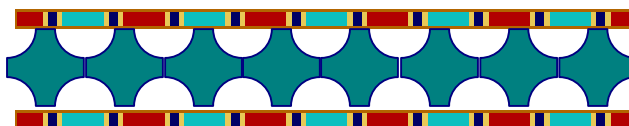
Diane wants to thank all the friends and colleagues she has had over the last 24 years, recalling the many times she has called on them for advice and feedback. Diane named a few individuals that have had a great influence on her. One of the most important people is Tom Liggett, still in financial aid in Indiana, who worked at Northwood when she became director. He had been director a number of years before and was a great resource in her journey to learn about financial aid. She credits him for not only imparting knowledge, but more importantly in contributing to her philosophy and ethical viewpoint in administering financial aid. Diane appreciates the candor and support of Jamie Malone from the U.S. Department of Education. She feels Jamie’s expertise and participation in the Michigan Association of

Student Financial Aid Administrators (MSFAA) has been invaluable. She also thanks Julie Tobin, now in Admissions at North Central Michigan College, for her friendship and support. She first met Julie working on a Midwest Association of Student Financial Aid Administrators (MASFAA) conference in the early 80s. Subsequently, they worked together at Oakland Community College and Schoolcraft. Julie’s combination of creativity and critical analysis opened up a new way of thinking for Diane. Plus, Julie became a great personal friend.

Diane’s dream career, if she could go back in time, would have been as a heart surgeon. By the time she decided to re-enter education, she was in her late twenties and a single mom with no practical path to become a surgeon. We can see the correlation between Diane’s desire to be a heart surgeon, being wonderful and caring to people, and her passion in helping her students.

So what is Diane going to do when she retires at the end of February? Diane’s daughter in Traverse City is expecting her first child (a boy!) on February 23rd (what great timing). Diane plans on helping out the new mother for as long as needed. Next, she’d like to spend more time with her husband who is on a long-term out-of-town assignment. Diane has two granddaughters who will get more love and attention, too. Diane is also looking forward to spending a good portion of the summer at her cottage on Crystal Lake near Beulah. She has been going to that area since the early 60s and hasn’t been able to spend an entire summer there since she was 17. After relaxing during the summer, she will decide what the future holds for her.

The Michigan Guaranty Agency (MGA) congratulates Diane for being chosen as our Featured Financial Aid Professional and on her February 2005 retirement after 24-plus years of service to students!



MGA INTRODUCES ITS TRAINING AND DEVELOPMENT SECTION

The Bureau of Student Financial Services was recently reorganized to streamline processes and align services according to the needs of our customers. Part of that reorganization is the move of Outreach Services to the Michigan Guaranty Agency. Not only does MGA guarantee federal student loans, it is also charged with helping families plan for and pursue higher education by assuring that students and parents are aware of the financial aid opportunities available to them. In order to accomplish this goal, the Training and Development Section was developed to perform the following Outreach Services:

- Partner with MSFAA to conduct the High School and Middle School Videoconference, which took place on November 19 for the 2004 year.
- Partner with Partnership for Learning to conduct College Goal Sunday, which will occur on February 13, 2005.
- Conduct presentations on early awareness and financial aid in general.
- Produce the following publications:
 - 5W's of Financial Aid.
 - Michigan Postsecondary Admissions and Financial Assistance Handbook. This handbook will be available both electronically and in hard copy. The hard copy version is scheduled to be available in August for the 2005-06 year on a limited print basis.
 - Guide to Searching for Scholarships.
 - Getting Ready for College Early.
 - Think College.
 - Program brochures.
- Maintain the Bureau Web site, Michigan.gov/mistudentaid, including the MI-Search program.
- Mail information/publications and general written correspondence for the Bureau of Student Financial Services.

If you would like additional information on any of the publications or information contained in this article, please feel free to contact any staff member of the Training and Development Section directly at 1-800-642-5626, and enter the extension number for the individual you would like to reach.

Staff Person	Title	Extension
Stephanie Bogard	Deputy Director	12101
Peggy LaFleur	Manager	38319
Patty Hill	Departmental Analyst	36051
Betty Calloway	Communications Manager	39639
Lucy Pickett	Secretary	39598

Training and Development staff may also be contacted via email at the following email addresses:

Staff Person	Email address
Stephanie Bogard	BogardS1@michigan.gov
Peggy LaFleur	LaFleurP@michigan.gov
Patty Hill	HillPL@michigan.gov
Betty Calloway	CallowayB@michigan.gov
Lucy Pickett	PickettL1@michigan.gov

REQUIREMENTS FOR DEFAULTED BORROWERS SEEKING ADDITIONAL LOANS

Recent changes that were approved by the *Common Manual* Governing Board have required MGA to modify its policy on how defaulted borrowers may request a Good Standing Letter to Reinstate Eligibility for New Title IV Funding (GSL-FA). Effective immediately, all defaulted borrowers must submit a written request to MGA via mail or fax.

Once a request is received the borrower's account will be reviewed, and if it is determined that the borrower qualifies for additional Title IV funds, a GSL-FA will be sent. MGA will notify the borrower if he/she does not qualify for additional loans.

Clarification on Defaulted Borrowers in Chapter 7 or Chapter 13 Bankruptcy Seeking Additional Loans

Chapter 7 Bankruptcy

Borrowers in Chapter 7 bankruptcy who want to receive additional Title IV funds must submit a written request for GSL-FA, and the borrower must also state that they want to receive new Title IV student loan funding.

(Continued on the next page.)

▪ **Chapter 13 Bankruptcy**

Borrowers in Chapter 13 bankruptcy seeking to receive additional Title IV funds must submit a written acknowledgement that they want to receive new Title IV student loan funding. They must also provide a copy of their Chapter 13 plan and a copy of the court order approving loans over the Chapter 13 allowance.

Upon receipt of the required documents, the borrower's account will be reviewed for eligibility.

To make it easier for schools and borrowers to provide the correct documentation, MGA has developed a [form](#) that the borrower may complete and submit. Attached to this issue of *Educational Loan Notes* is a copy that may be reproduced. The form is also available on our Web site at Michigan.gov/mistudentaid; choose "Resources" and then "Forms."

If you have any questions, please contact Linda Sanchez, Manager of our Customer Services Unit, at extension 39599 or via email at sanchezLR@michigan.gov.

LIFE SKILLS TRAIN-THE-TRAINER WORKSHOPS HELD IN DECEMBER

Life Skills Train-the-Trainer workshops were held November 13 and 14, 2004, at Wayne State University and Grand Valley State University, marking MGA's second year of hosting the workshops. School personnel from financial aid, academic advising, student services, collections, and admissions from nine Michigan institutions



attended the day-long training. Life Skills is the financial literacy program developed by USA Funds and offered by MGA to help students at postsecondary institutions manage their finances and complete their degrees or programs on time.

Cynthia Waisner, MGA's Life Skills facilitator, reviewed the five modules and supplementary tools available from MGA. In addition, numerous group exercises have been developed by Ms. Waisner to supplement the materials as presented in the workbooks for each module. Many of the attendees commented how well the program is constructed with the variety of approaches that are designed to reach all types of learning styles.



Participants also brainstormed how to get support at their institutions to implement portions of the program. Although MGA supplies all the necessary materials and training expertise, each school must invest the time and decide which avenues will most effectively reach their students. Most have agreed that an existing class, orientation, or student life venue would be the most likely place to start. Participation would almost have to be mandatory in order for substantial student participation.

If your school would be interested in learning how Life Skills would benefit your students and provide improved default management and student retention, please contact your MGA School Services representative. We can provide personalized Info Team presentations at your institution on Life Skills or a variety of other topics for training and development purposes.



MARK YOUR CALENDARS FOR COLLEGE GOAL SUNDAY

On Sunday, February 13, 2005, from 2:00 p.m. to 4:00 p.m., financial aid professionals from across the State of Michigan will help students complete the Free Application for Federal Student Aid (FAFSA) as part of College Goal SundaySM. For many students, the pursuit of a college degree seems impossible because of the cost of higher education. College Goal Sunday is designed to provide students with free financial aid assistance. This is the second year of Michigan's participation in the College Goal Sunday program, which was started as part of a larger initiative to increase the percentage of students who achieve a college degree.

On College Goal Sunday, not only do students get free help in completing the FAFSA, but also by doing so they are eligible to compete for a \$1,000 scholarship. Please remind students to bring their 2004 tax forms, W-2s, and 1099 forms to the nearest College Goal Sunday location.

A nationwide effort, College Goal Sunday is made possible through the support of MSFAA and Partnership for Learning, with funding provided by the Lumina Foundation for Education and the Michigan Guaranty Agency. In addition, MGA's Training and Development Section is coordinating the activities at the Lansing location.

Attached to this issue of *Educational Loan Notes* is a [listing](#) of the locations for College Goal Sunday. If you would like to volunteer to assist at any one of these sites, please contact Stephanie Bogard at extension 12101 or via email at bogards1@michigan.gov, or Peggy LaFleur at extension 38319 or via email at lafleurp@michigan.gov.

FY 2003 COHORT DEFAULT RATE CALCULATIONS

One of the primary functions of the National Student Loan Data System (NSLDS) is the computation of school Cohort Default Rates (CDRs) for the Federal Family Education Loan Program (FFELP) and the Federal Direct Loan Program (FDLP). Every year

schools that participate in FFELP or FDLP are evaluated to determine the percentage of their borrowers who entered repayment during the federal fiscal year and who then defaulted before the end of the next federal fiscal year. Under the electronic CDR (eCDR) process, NSLDS delivers CDR notification packages twice a year (draft and official) to domestic schools via their Student Aid Internet Gateway (SAIG) mailboxes.

NSLDS will calculate draft and official fiscal year (FY) 2003 Cohort Default Rates according to the following schedule:

Draft dates:

Calculation – January 8, 2005

Release – February 14, 2005

Official dates:

Calculation – July 30, 2005

Release – September 12, 2005

If you have any questions or concerns regarding the eCDR, please contact Dan Tryon at extension 34981, or via email at tryond@michigan.gov.

MYF SAYS TALK TO VENDORS ABOUT DATA EXCHANGE STANDARDS FOR ONLINE LOAN COUNSELING

Mapping Your Future (MYF) encourages schools to talk to their financial aid management system (FAMS) vendors about adopting standards for the exchange of online loan counseling data. A financial aid industry team led by MYF is now developing these standards. Most vendors prioritize their upcoming enhancements and projects based on customer needs; therefore, it is important that schools communicate with their vendor and request they make the adoption of the standards a priority.

The financial aid industry team has completed several steps in the process of developing a standard schema for entrance and exit data. Following the identification of all of the possible data elements, the team

(Continued on the next page.)

will develop a schema and then submit it to the Postsecondary Electronics Standards Council (PESC) for approval.

MYF and the other organizations will implement these standards as soon as possible after PESC approves them. Representatives from the FAMS providers have indicated they will likely adopt the schema. The sooner FAMS vendors implement the standards, the sooner schools will be able to easily download loan counseling data and upload it into the FAMS.

If you have questions or comments, contact CariAnne Behr at carianne.behr@mapping-your-future.org or 573-634-8641.

FTC ISSUES FINAL REGULATION ON CONSUMER INFORMATION AND RECORDS DISPOSAL

Following a public comment period, the Federal Trade Commission (FTC) has issued its final rule regarding the proper disposal of consumer report information and records under the Fair and Accurate Credit Transactions Act of 2003 (FACTA) and the Fair Credit Reporting Act (FCRA). The final rule, which will be published in the Federal Register shortly, is similar to the proposed rule issued in April 2004 and will become effective on June 1, 2005. The FTC received more than 50 comments from industry trade organizations, businesses, consumer advocacy groups, Members of Congress, and consumers.

FACTA, which was enacted on December 4, 2003, amends the FCRA and directs the FTC, the Federal Reserve Board, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Office of Thrift Supervision, the National Credit Union Administration, and the Securities and Exchange Commission to coordinate with one another to adopt comparable and consistent rules regarding the disposal of sensitive consumer report information. The purpose of these rules is to reduce the risk of identity theft and other consumer harm from improper disposal of a consumer report or any record derived from

one. The FTC's Disposal Rule applies to any person over whom the FTC has jurisdiction that, for a business purpose, maintains or otherwise possesses such consumer report information.

The rule requires that covered entities "take reasonable measures to protect against unauthorized access to or use of the information in connection with its disposal." The standard for disposal is flexible to allow entities covered by the rule to determine what measures are reasonable based on the sensitivity of the information, the costs and benefits of different disposal methods, and relevant changes in technology over time. The rule's flexibility should also facilitate compliance for smaller entities. Additionally, the rule includes specific examples of appropriate measures that would satisfy its disposal standard.

The final rule makes minor modifications to the proposed rule, including clarification of the definitions of "consumer information" and "disposal."

Copies of the Federal Register notice are available from the FTC's Web site at <http://www.ftc.gov> and also from the FTC's Consumer Response Center, Room 130, 600 Pennsylvania Avenue, N.W., Washington, DC 20580.

SPECIAL ALLOWANCE RATES

Special allowance rates based on the 91-day Treasury Bill (T-bill) average and the three-month Commercial Paper average for the quarter ending December 31, 2004, are attached to this issue of *Educational Loan Notes*. The average of the bond equivalent rates of the 91-day T-bills auctioned during the quarter ending December 31, 2004, is **2.06 percent**.

All new FFELP loans disbursed on or after January 1, 2000, are paid special allowance, if eligible, based on the Commercial Paper rate. The average of the bond equivalent rates of the quotes of the three-month Commercial Paper (financial) rates in effect for each of the days in the quarter ending December 31, 2004, is **2.23 percent**.

COMMON MANUAL CHANGES

On December 16, 2004, the *Common Manual* Governing Board approved four proposals from Batch 117 to modify the *Common Manual*. The changes made in these proposals will be incorporated into the *Common Manual* with the publication of the summer 2005 update. These changes will also be incorporated into the December 2004 *Integrated Common Manual*. The *Integrated Common Manual* is available on several guarantor Web sites and is also available on NCHELP's Web site at www.NCHELP.org in the e-library. Below is a list of the subjects of the changes.

- Student Enrollment Status Reporting
- Resolving Delinquency that Precedes Certain Forbearances
- Endorsers of Delinquent Loans
- Definition of Exceptional Performer

Questions concerning changes to the *Common Manual* should be directed to Dan Tryon at extension 34981 or via email at tryond@michigan.gov.

THE "ED" PIPELINE

Following is a list of some of the most recent ED correspondence for schools and lenders.

Dear Partner
December 2004
FP-04-09

This letter provides the FFELP community with instructions on enrolling with Federal Student Aid (FSA) to receive electronic payoffs for FFELP loan(s) that are repaid by FDLP Consolidation loans.

Dear Partner
December 2004
GEN-04-14

This letter contains information on changes made to the Higher Education Act to provide increased federal Stafford loan forgiveness for certain elementary and secondary school teachers.

LENDER LIST UPDATES

School personnel should record the following actions on the "Participating Lender List" dated October 25, 2004. Please make the appropriate changes in all sections of the list as needed. If you have any questions regarding these updates, please contact Pat Fromm at extension 36076.

Newly Participating Lender

Bank One, N.A., 808732, c/o Nelnet, Inc., P.O. Box 82596, Lincoln, NE 68501-2596, 800-874-3150.

Student Loan Xpress, Inc., Fifth Third Bank as Eligible Lender Trustee, 834160, c/o American Education Services, 1200 N. 7th Street, Harrisburg, PA 17102, 800-446-8210.

Joined Referral Program

Delta County Credit Union, 813143, has joined the Standard Federal referral loan program. Their address is c/o Nelnet, Inc., P.O. Box 82596, Lincoln, NE 68501-2596. The telephone number is 800-874-3150.

SCHOOL LIST UPDATES

The following changes should be recorded by lenders on MGA's "Active Michigan School List," dated August 4, 2004. If you have any questions regarding these changes, please contact Stacy Cardwell at extension 36074.

Address Change

Davenport University, Flint, 002249-30
Delete 3488 North Jennings Road, Flint 48504-1700. The new address is 4318 Miller Road, Suite A, Flint, MI 48507-1267. The telephone number and fax number remain the same.

University of Michigan Medical School, Ann Arbor, 002325-01
The office has moved, but still remains in the Medical Science Building. Delete C-4130 and replace it with C-5124.

(Continued on the next page.)

Wayne State University Law School, Detroit, 002329-02

Delete 468 West Ferry, Room 191. The new address is Office of Student Financial Aid, 471 West Palmer, Suite 1215, Detroit, MI 48202. The new telephone number is 313-577-6185.

Contact, Email Address, Telephone, and Fax Number Changes**Douglas J Aveda Institute, East Lansing, 025882-00**

Kellee McNamara is now Kellee Birchmeier.

Irene's Myomassology Institute, Southfield, 035883-00

Heather Newsome's email address has changed to heather@imieducation.com.

Ross Medical Education Center, Brighton, 023397-00

Delete Jennifer Fredell. The new contact person is Laura Nichols. Her email address is rossmed109@juno.com. The telephone and fax remain the same.

Ross Medical Education Center, Warren, 021801-00

Delete Shirley Zuziate. The new contact person is Deanne Johnston. Her email address is rossmed103@juno.com. The telephone and fax remain the same.

University of Phoenix, Grand Rapids, 020988-00

Delete Lee Balkema. The new contact person is Chris Brown, Director of Finance. Chris' email address is chris.brown@phoenix.edu. The telephone and fax remain the same.

Closed School**William Tyndale College, Farmington Hills, 002252-00**

Delete William Tyndale College from the white section of the Active Michigan School List.



“Q” AND “A”**LOAN LIMITS PART II – AGGREGATE LOAN LIMITS**

There are two types of loan limits a school must take into consideration before certifying any new Stafford loan amounts.

1. The **Stafford Annual Loan Limit** refers to the amount a student may borrow for each academic year.
2. The **Stafford Aggregate Loan Limit** refers to the amount a student may borrow based on previously borrowed outstanding loan amounts.

In this issue we will be looking at the Stafford Aggregate Loan Limit. December's *Educational Loan Notes* “Q” and “A” contained a discussion on the Stafford Annual Loan Limit.

What are the aggregate limits for Stafford loans?

	<u>Subsidized</u>	<u>Total Subsidized and Unsubsidized</u>
Dependent Undergraduates	\$23,000	\$23,000
Independent Undergraduates	\$23,000	\$46,000
Graduate and Professional Students	\$65,500	\$138,500

What is included in a borrower's aggregate loan amount?

The Stafford aggregate loan amount includes the principal balances on any:

- Stafford loans made under FFELP or FDLP.
- Supplemental Loans for Students (SLS).
- The portion of any outstanding Consolidation loan made under FFELP that was derived from an underlying Stafford or SLS loan, or made under FDLP that was derived from an underlying Stafford loan.

Any capitalized interest, accrued interest, collection costs, fees, or any other loans (i.e., Perkins loans or PLUS loans) are **not** included in a student's aggregate loan limit.

What is an “underlying loan?”

An underlying loan is a loan that was consolidated into either a FFELP or FDLP Consolidation loan and has subsequently been paid-in-full through that consolidation.

Where can I find a student's current aggregate loan amount?

A student's current aggregate loan amount will be available on NSLDS. When a student is approaching their aggregate loan limit, it should be reported on the student's Institutional Student Information Report (ISIR).

(Continued on the next page.)

Why is it that the aggregate loan amounts listed on NSLDS do not always equal all of the underlying Stafford and SLS loans listed?

There are several reasons that an aggregate loan amount on NSLDS does not equal all of the outstanding principal balances of the underlying loans. Some of the most common reasons include:

- Timing issues between data providers and NSLDS. Because NSLDS is not updated in real time, there are instances when a student's aggregate loan limit has not been updated because of the time delay it takes lenders to report additional loans to NSLDS.
- A Consolidation loan that may be throwing off the total outstanding principal balance. Prior to 2003-2004, Consolidation loans were not always reported with outstanding principal (subsidized and unsubsidized) balances. Therefore NSLDS used a special algorithm to try to determine the total subsidized and unsubsidized aggregate loan amounts. Because this algorithm used some assumptions, some amounts may have been reported inaccurately. In other cases amounts that could not be accounted for were placed into a category labeled unallocated.
- Coding issues. Data providers have inadvertently reported some loans incorrectly to NSLDS. For example, in the past lenders have reported some loans as PF (Paid-in-Full) or DP (Defaulted Paid-in-Full) as opposed to PN (Paid-in-Full through Consolidation) or DN (Defaulted Paid-in-Full through Consolidation). As of August 25, 2003, NSLDS has modified its processing procedures to correct those coding errors.

What if I suspect that the aggregate loan limits on NSLDS are incorrect?

There may be times that you suspect that the total outstanding principal balance on NSLDS is being reported incorrectly. If there are any Consolidation loans included in the aggregate totals, then it would be prudent to collect any Consolidation paperwork that the borrower can provide. It may also be helpful to compare the total outstanding principal balance amount with all of the underlying loan disbursement amounts to distinguish between principal and interest balances. If the school determines that NSLDS figures are in fact incorrect, it would be very important to **keep all documentation showing how the school reached that conclusion**.

What are the school's responsibilities and possible liabilities if a student received loan funds in error because of misinformation on NSLDS?

A school will only be responsible for the financial aid history information it had at the time it disbursed aid to the student. However, once a school has been made aware through any means that a student is not or was not eligible for Title IV disbursements, the school must (1) not deliver any additional funds and (2) assist the lender in requiring the student to make satisfactory repayment arrangements for the ineligible funds.

Where can I learn more about aggregate loan limits?

You can find more information on aggregate loan limits in the *Common Manual* Chapter 6, Dear Colleague Letter/General Letter GEN-03-12 located at <http://ifap.ed.gov/dpclletters/attachments/GEN0312Attach.pdf>, or by contacting MGA's Customer Services Unit at extension 77099.

Have a question you would like to ask? Contact Justin Draeger at extension 31940 or by email at draegerj@michigan.gov to submit your question or to suggest a topic you would like to see discussed in a subsequent issue of *Educational Loan Notes*.

Calendar of Upcoming Events

January

30-Feb. 2 MSFAA Winter Conference
Sheraton Lansing Hotel
Lansing, Michigan

February

8 Guaranty Agency Advisory Committee
State Library and Museum
Lansing, Michigan

8 Mapping Your Future Daytime Chat
FAFSA, financial aid, and careers.

13 College Goal Sunday
Various locations throughout
Michigan

21 MGA Office Closed

March

8 Mapping Your Future Daytime Chat
Online and distance education

22-24 U.S. Department of Education
Spring Conference
John Ascuaga's Nugget
Reno, Nevada

If you need further information or wish to submit items for the calendar, please contact Jim Peterson, Editor, at extension 36944, or via email at petersonj@michigan.gov.



BORROWER'S REQUEST FOR REINSTATEMENT OF TITLE IV ELIGIBILITY AFTER DEFAULT



Must complete one of the first three sections and the Borrower Certification.

Section I--GOOD STANDING LETTER

☐ Request for Good Standing Letter (GSL-FA) to Reinstate Eligibility for New Title IV Funding

To be eligible for GSL-FA, federal regulations require six (6) voluntary, consecutive monthly payments. Payments must be timely and be current as determined by the Michigan Guaranty Agency.

NOTE: *The reinstatement of Title IV eligibility will only be granted once over the life of the loan and will continue only if the required payments are remitted each month until the account is paid-in-full.*

Section II--CHAPTER 7 BANKRUPTCY

☐ Request for Good Standing Letter (GSL-FA) to Reinstate Eligibility for New Title IV Funding

The same requirements listed in Section One must be met for reinstatement of eligibility.

☐ Request for New Student Loan Title IV Funding

Section III--CHAPTER 13 BANKRUPTCY

☐ Request for New Title IV Student Loan Funding

Please submit the following documents for eligibility determination:

- Copy of Chapter 13 Bankruptcy Plan
- Copy of the court order approving loans over Chapter 13 allowance.

BORROWER CERTIFICATION OF REQUEST

Borrower Name: _____

Social Security Number: _____

Address: _____

Telephone Number: _____

By signing this form, I understand that reinstatement of Title IV eligibility will only be granted once over the life of the loan and will continue only if the required payments are remitted each month until the account is paid-in-full.

Signature: _____

Date: _____

Return completed form and any additional required documentation to:

Michigan Guaranty Agency
Attn: Claims and Collections
P.O. Box 30047
Lansing, Michigan 48909-7547

OR

Fax to:
Claims and Collections
517-335-5982 Before March 5, 2005
517-636-0655 After March 5, 2005

GSR (01/20/2005)

College Goal Sunday

February 13, 2005

Michigan Locations

ANN ARBOR

University of Michigan
2011 Student Activities Bldg.
515 E. Jefferson

DETROIT

Wayne State University's
David Academy
Undergraduate Library
Community Room, 3rd Floor
5155 Gullen Mall

JACKSON

Jackson High School
Cafeteria
544 Wildwood

MUSKEGON

Muskegon High School
Cafeteria
80 W. Southern Ave

AUBURN HILLS/PONTIAC

Oakland Community College
Auburn Hills Campus
2900 Featherstone Road
Building H (Gymnasium)

DETROIT

Matrix Mt. Zion Community Center
13560 E. McNichols

KALAMAZOO

Kalamazoo Valley Community College
Student Commons
6767 West O Ave

SAGINAW

Delta College
Main Campus Commons
1961 Delta Road

BATTLE CREEK

Kellogg Community College
Student Services Bldg.
450 North Ave.

FLINT

Mott Community College
Regional Technology Center
1401 E. Court St.

LANSING

Lansing Eastern High School
Don Johnson Fieldhouse
220 North Pennsylvania

SAULT STE. MARIE

Lake Superior State University
Walker Cisler Student and
Conference Center
650 W. Easterday Ave.

BENTON HARBOR

Lake Michigan College
Napier Campus
One Stop Student Services Center
2755 East Napier Avenue

GRAND RAPIDS

Grand Valley State University
Pew Campus
DeVos Center
401 West Fulton

MARQUETTE

Northern Michigan University
Great Lakes Room
University Center
1401 Presque Isle Avenue

TRAVERSE CITY

Northwestern Michigan College
Beckett Bldg., Room 146/147
1701 East Front Street

DEARBORN

University of Michigan-Dearborn
University Center (UC)
Multipurpose Room
4901 Evergreen Road

GRAND RAPIDS

Eastern Avenue Christian
Reformed Church
506 Eastern Avenue SE

MT. PLEASANT

Central Michigan University
Bovee University Center
Rotunda Room
103 E. Preston

WARREN

Macomb Community College
John Lewis Community Center
Room K-301
14500 E. 12 Mile Road

**91-DAY TREASURY BILL
SPECIAL ALLOWANCE RATES
FOR
QUARTER ENDING DECEMBER 31, 2004**

	Loan Rate	Special Allowance Annual Rate	SA Quarterly Rate	Special Allowance Category
SA	7% 9%	0 0	0 0	<u>SA</u> - for loans made before 10/01/81.
SB	7% 8% 9%	0 0 0	0 0 0	<u>SB</u> - for Stafford (subsidized) and PLUS loans made on/after 10/01/81 but before 10/17/86 or loans made on/after 10/17/86 but before 11/16/86, for enrollment periods beginning before 11/16/86.
SD	7% 8% 9% FVAR10 (4.17%) PLUS/SLS Var (4.81%) FVAR7, FVAR8, FVAR9, EVAR (4.32%)	0 0 0 .0114 0 .0099	0 0 0 .002850 0 .002475	<u>SD</u> - for Stafford (subsidized) and PLUS/SLS loans made on/after 10/17/86 but prior to 11/16/86 for enrollment periods beginning on/after 11/16/86. For Stafford (subsidized) and PLUS/SLS loans made on/after 11/16/86 but before 10/01/92. Also, for Stafford (unsubsidized) loans made prior to 10/01/92 for periods of enrollment beginning on/after 10/01/92.
SE	FVAR7 (4.17%) FVAR8 (4.17%) FVAR9 (4.17%) FVAR10 (4.17%) EVAR (4.17%) PLUS/SLS Var (5.26%)	.0046 .0046 .0046 .0046 .0046 0	.001150 .001150 .001150 .001150 .001150 0	<u>SE</u> - for Stafford loans made on/after 10/01/92 but prior to 07/01/94, regardless of the enrollment period, or loans made after 07/01/94 for an enrollment period ending prior to 07/01/94. Also, for PLUS loans made on/after 10/01/92 but before 07/01/94. Also, for SLS loans made on/after 10/01/92 but before 07/01/94; or certified before 07/01/94 and disbursed after 07/01/94.
SG	Stafford Var (4.17%) PLUS Var (5.26%)	.0099 0	.002475 0	<u>SG</u> - for Stafford loans made on/after 07/01/94 but before 07/01/95, or loans made on/after 07/01/95 but before 07/01/98, during periods of repayment or forbearance. Also, for PLUS loans made on/after 07/01/94 but before 07/01/98.
SH	Stafford Var (3.57%) PLUS Var (5.26%)	.0099 0	.002475 0	<u>SH</u> - for Stafford loans made on/after 07/01/95 but before 07/01/98 only during the in-school, grace, and deferment periods. Also, for PLUS loans made on/after 07/01/98 but prior to 01/01/00.
SJ	Stafford Var (2.77%)	.0149	.003725	<u>SJ</u> - for Stafford loans made on/after 07/01/98 but prior to 01/01/00 only during the in-school, grace, and deferment periods.
SK	Stafford Var (3.37%)	.0149	.003725	<u>SK</u> - for Stafford loans made on/after 07/01/98 but prior to 01/01/00 only during the repayment and forbearance periods.

PLEASE NOTE: The 91-day T-bill average (bond equivalent rate) is **2.06 %** for the fourth quarter of **2004**. This results in the following yields:

SA 2.06% plus 3.50% = 5.56%	SG 2.06% plus 3.10% = 5.16%
SB 2.06% plus 3.50% = 5.56	SH 2.06% plus 2.50% = 4.56%
SD 2.06% plus 3.25% = 5.31%	SJ 2.06% plus 2.20% = 4.26%
SE 2.06% plus 3.10% = 5.16%	SK 2.06% plus 2.80% = 4.86%

**91-DAY COMMERCIAL PAPER
SPECIAL ALLOWANCE RATES
FOR
QUARTER ENDING DECEMBER 31, 2004**

	Loan Rate	Special Allowance Annual Rate	SA Quarterly Rate	Part IV: Special Allowance Category Column C
CA	Stafford Var (2.77%)	.0120	.003000	<u>CA</u> - for subsidized/unsubsidized Stafford loans made on/after 01/01/00 but prior to 07/01/06, only during the in-school, grace, and deferment periods.
CB	Stafford Var (3.37%)	.0120	.003000	<u>CB</u> - for subsidized/unsubsidized Stafford loans made on/after 01/01/00 but prior to 07/01/06, during the repayment and forbearance periods only .
CD	PLUS Var (5.26%)	0	0	<u>CD</u> - for PLUS loans made on/after 01/01/00 but prior to 07/01/06. Note: special allowance will not be paid unless the calculated interest rate exceeds the 9% cap.

PLEASE NOTE: The three-month Commercial Paper average (bond equivalent rate) is **2.23%** for the fourth quarter of **2004**. This results in the following yields:

CA 2.23% plus 1.74% = 3.97%
CB 2.23% plus 2.34% = 4.57%
CD 2.23% plus 2.64% = 4.87%